



## STATE OF INDIANA

MITCHELL E. DANIELS, JR., Governor

DEPARTMENT OF ADMINISTRATION

Procurement Division

402 W Washington Street, Room W468

Indianapolis, Indiana 46204

317 / 232-3053

### Award Recommendation Letter

Date: March 31, 2011

To: Rob Wynkoop, Commissioner  
Indiana Department of Administration

From: Nicole Kenney, Director of Strategic Sourcing

Subject: Recommendation of Selection for RFP 10-77,  
Solicitation for Office Equipment for All State Agencies

**Estimated Amount of Two Year Contract: \$4,812,516.48**

*This amount is based on historical information with pricing proposed by the recommended vendor; actual spend will vary based on the actual purchases of the resulting contract.*

Based on the evaluation of our team, we recommend for selection **Ikon Office Solutions** to begin contract negotiations to provide office equipment services for the State of Indiana. *Ikon is committed to subcontract 9% to Guy Brown (a certified Minority Business) and 14% to Briljent (a certified Woman Business) of the annual contract value.* Terms of this recommendation are included in this letter.

The evaluation team received proposals from seven (7) vendors:

- Canon
- Ikon Office Solutions
- Konica Minolta
- Kyocera
- Pitney Bowes
- Sharp Electronics
- Xerox Corporation

The proposals were evaluated by IDOA and the evaluation team according to the following criteria established in the RFP:

- Adherence to Requirements (Pass/Fail)
- Management Assessment/Quality (25 points)
- Cost Proposal (-30 to +30 available points, with an additional 5 bonus points possible if certain criteria are met)
- Indiana Economic Impact (15 points)
- Buy Indiana/Indiana Company (10 points)
- Minority Business Participation (10 points)
- Woman-Owned Business Participation (10 points)

The proposals were evaluated according to the process outlined in section 3.2 ("Evaluation Criteria") of the RFP. Scoring was completed as follows:

**A. Adherence to Requirements**

All seven proposals were reviewed for adherence to mandatory requirements. All of the respondents adhered to the mandatory requirements and were then evaluated based on their business proposal, technical proposal, and cost proposal.

**B. Management Assessment/Quality**

**Business Proposal**

For the business proposal evaluation, the team considered each respondent's ability to serve the state regarding the following sections of the business proposal: general information, company structure, company financial information, integrity of company structure and financial reporting, references, subcontractors, experience serving state government, and payment options.

**Technical Proposal**

For the technical proposal evaluation, the team considered each respondent's proposal for e-procurement, service factors, account management, and equipment).

The evaluation team's scores were based on a review of each respondent's proposed approach to each section of the technical proposal, Section 2.4, as well as specific questions that respondents were asked to respond to in the RFP and clarifications.

Results of the management assessment/quality evaluation are shown below:

**Table 1: Management Assessment/Quality Scores**

<b>RESPONDENT</b>	<b>MAQ SCORE (25 Max)</b>
Canon	17.22
Ikon	22.20
Konica Minolta	16.16
Kyocera	14.90
Pitney Bowes	14.73
Sharp	17.05
Xerox	14.47

During the business and technical proposal evaluation, the evaluation team observed the following regarding each respondent, which supports the evaluation team's ultimate scoring of the respondents' proposals. This is not intended to be an exhaustive discussion of what the evaluation team considered, but attempts to highlight some of the primary considerations that led to the evaluation team's scores.

**Canon**

Canon scored 17.22 out of the possible 25 qualitative points. The evaluation team recognized Canon as a reputable company, and its products are familiar to many agencies within the state. Additional strengths of the proposal include routine maintenance and their ability and willingness to assist with "right sizing." The proposal was vague in the equipment compatibility with Equitrac and the team felt the reporting solution was provided by the dealer network opposed to the manufacturer posed risk in consistency.

**Ikon**

Ikon scored 22.2 out of the possible 25 qualitative points. The respondent's overall response provided great detail to all the information requested. The team favored simultaneous delivery and pick-up. Additionally, the past experience and local account representatives were strengths of the proposal. Although minor, the team felt the billing systems and reporting models could use improvement. The team is confident Ikon would provide a smooth transition, as its machines are in currently in use in several state government offices.

**Konica Minolta**

Konica scored 16.16 out of the possible 25 qualitative points. Although the team recognizes the business and past experiences the respondent has within the marketplace, compared to other respondents the proposal was not as strong. A concern of the proposal was the respondent's response to meet the up-time benchmark on average compared to other respondents who clearly guaranteed to meet this benchmark in their proposals. Another weakness of the proposal included the ambiguous language of potential to charge agencies to move its equipment.

**Kyocera**

Kyocera scored 14.9 points out of the possible 25 qualitative points. In general, the Kyocera response lacked detail and confidence compared to other proposals received for this RFP. The equipment solution proposed meets the standards of the state; the team had concerns regarding the service factors. Like the Konica proposal, the respondent did not provide a clear guarantee on equipment uptime, which leads to the overall concern of equipment reliability.

**Pitney Bowes**

Pitney scored 14.73 points out of the possible 25 qualitative points. The team liked that this respondent has experience with work the State of Indiana and in the government sector. However, concerns were raised with the respondents overall lack of detail of information that was provided and felt the proposal was not strong in comparison to other responses received. The team liked Pitney's solution as it relates to dispute resolution, but felt the account management structure was weaker than other proposals.

**Sharp U.S.A.**

Sharp scored 17.05 out of the possible 25 qualitative points. Sharp effectively demonstrated how it has helped uncover money-saving measures for past clients of similar size to the State of Indiana; this was highly favored by the state. An additional strength of the proposal was the guarantee to the state's up-time metric. Although an overall good proposal, the team felt solutions provided by other respondents were stronger. Specifically as it relates to subcontractors, the team raised concern of an outside firm providing the training of the equipment.

### **Xerox**

Xerox scored 14.47 out of the possible 25 qualitative points. The team felt the respondent showed strengths in the areas of equipment, detailed reporting, and e-procurement solutions. Additionally, the team liked the ability of a 24 hour call option for troubleshooting. The most significant weakness of the proposal that is reflected in the score was the respondent's decision to not participate with the state's EMMP if the state desired.

### **C. Cost Proposal**

Price is measured against the state's baseline cost for this scope of work. The cost that the state is currently paying will constitute the baseline cost. Cost scoring points will be assigned as follows:

- Respondents who meet the state's current baseline cost will receive zero (0) cost points.
- Respondents who propose a decrease to the state's current costs will receive positive points at the same rate as bid increasing cost.
- Respondents who propose an increase to the state's current cost will receive negative points at the same rate as bid lowering cost.
- Respondents who propose a 10% decrease to the state's current baseline cost will receive all of the available cost points.
- If multiple respondents decrease costs below 10% of the current baseline, an additional 5 points will be added to the respondent proposing the lowest cost to the state.

All respondents were given an opportunity to improve their cost score through target pricing. Three respondents proposed more than a 10% decrease to the state's current cost. Xerox provided the lowest cost and was awarded the 5 additional bonus points. The cost scores based on the final pricing provided are as follows:

**Table 2: Final Cost Scores**

<b>RESPONDENT</b>	<b>COST SCORE (+30 to -30)</b>
Canon	20.08
Ikon	30.00
Konica Minolta	30.00
Kyocera	-4.91
Pitney Bowes	-30.00
Sharp	16.13
Xerox	35.00

### **D. Short List**

Combined final Business Proposal, Technical Proposal, and Cost Proposal Scores were as follows:

**Table 3: Pre-Short List Scores**

RESPONDENT	MAQ SCORE (25 Max)	COST SCORE (+30 to -30)	TOTAL PRE-SHORTLIST SCORE (55 Max)
Canon	17.22	20.08	37.29
Ikon	22.20	30.00	52.20
Konica Minolta	16.16	30.00	46.16
Kyocera	14.90	-4.91	9.99
Pitney Bowes	14.73	-30.00	-15.27
Sharp	17.05	16.13	33.18
Xerox	14.47	35.00	49.47

The evaluation team met to review the Management Assessment/Quality and Cost Proposal scores (out of 55 maximum possible points). There was a natural break in the scores above, and Pitney Bowes and Kyocera were eliminated from moving on to the final round of scoring. The other five candidates were deemed viable for contract award and moved forward to the final evaluation step – IDOA Indiana Economic Impact, Buy Indiana, and Minority and Woman-Owned Business Participation scoring.

#### **E. IDOA Scoring**

IDOA scored the five respondents in the following areas – Buy Indiana (10 points), Indiana Economic Impact (15 points), and Minority and Women Business Participation (10 points each) using the criteria outlined in the RFP. When necessary, IDOA clarified certain Buy Indiana, Indiana Economic Impact, and Minority and Women Business Participation information with the respondents. To ensure a fair and consistent evaluation, IDOA asked all respondents to use the baseline amounts list in the RFP as the total bid amount. Once the final MWBE and IEI forms were received from respondents, the total scores out of 100 possible points were tabulated, and are as follows:

**Table 4: Final Overall Evaluation Scores**

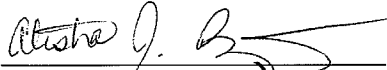
RESPONDENT	MAQ SCORE (25 Max)	COST SCORE (+30 to -30, 35 Max)	BUY INDIANA (10 Max)	IEI (15 Max)	MBE (10 Max)	WBE (10 Max)	TOTAL SCORE (105 Max)
Canon	17.22	20.08	0.00	4.84	0.00	0.00	42.14
Ikon	22.20	30.00	10.00	15.00	0.90	10.00	88.14
Konica Minolta	16.16	30.00	0.00	6.24	0.00	0.00	52.40
Sharp	17.05	16.13	0.00	8.67	10.00	0.70	52.56
Xerox	14.47	35.00	10.00	4.90	2.40	8.60	75.36

### **Award Summary**

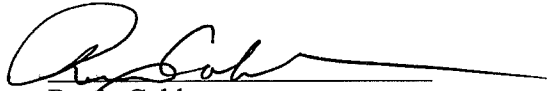
During the course of evaluation, the state scrutinized all proposals to determine the viability of the proposed business solutions to meet the goals of the program and to meet the needs of the state. The team evaluated proposals based on the stipulated criteria outlined in the RFP document.

This agreement will be for a period of two (2) years. At the discretion of the state, there may be two (2) one (1) year renewals.

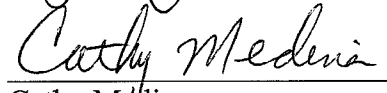
Signed By:

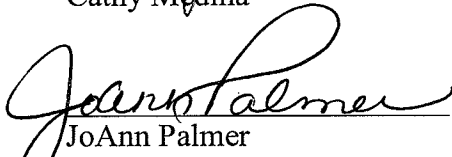
  
Alisha Borcharding

  
Chari Burke

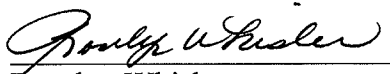
  
Roxie Coble

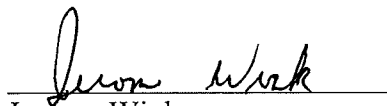
  
Gina Kerr

  
Cathy Medina


  
JoAnn Palmer

  
Donna Sheets

  
Roselyn Whisler

  
Jerome Wink

RFP 10-77 Evaluation Team

  
Nicole Kenney  
Indiana Department of Administration

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